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Text:

S E C R E T ABU DHABI 03346

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ACTION: AMB
INFO: P/M POL ICE ECON DCM

DISSEMINATION: AMB
CHARGE: PROG

APPROVED: AMB:MJSISON
DRAFTED: FCS:MEOBRIEN
CLEARED: ECON: OJ, CGD:JD, DHS/ICE:WW, PM:ME

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PP RUEHC RUEHAM RUEHIL RUEHDE RHEBAAA RUEAIIA
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FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC PRIORITY 0914
INFO RUEHAM/AMEMBASSY AMMAN PRIORITY 0579
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 1422
RUEHDE/AMCONSUL DUBAI PRIORITY 5278
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY
RUEAHL/DEPT OF HOMELAND SECURITY WASHINGTON DC PRIORITY

S E C R E T SECTION 01 OF 04 ABU DHABI 003346

SIPDIS

STATE FOR NP/T, NP/CBM, NP/ECC, NEA/ARPI
USDOC FOR BIS/US, BIS/OIP, BIS/EE/AS
AMMAN FOR EXBS ADVISOR JIRVINE
NSC FOR MAUREEN TUCKER
DOE FOR DAVE HUIZENGA
DHS/ICE FOR STRATEGIC INVESTIGATIONS

E.O. 12958: DECL: 07/31/2015
TAGS: [ETTC](#) [KNNP](#) [PREL](#) [PARM](#) [TC](#)
SUBJECT: STATUS OF UAE EXPORT CONTROLS

REF: A. ABU DHABI 3068
[B](#). ABU DHABI 510
[C](#). 04 ABU DHABI 4365
[D](#). 04 ABU DHABI 4060
[E](#). PARIS 4977

Classified By: AMB MICHELE J SISON FOR REASONS 1.4 (b) AND (d)

[1](#)1. (C) Summary: The issue of export controls in the UAE has been raised in a number of contexts recently, including during the recent MTCR outreach mission to the UAE (Refs A and E) and FTA negotiations between the US and the UAE. This message reviews the status of export controls in the UAE as well as US-UAE export control cooperation. In spite of numerous State, USDOC, and DHS efforts from 2001 onward focused on UAE federal and emirate level training and outreach, the UAE still does not have an export control system resembling those of members of the international control regimes. There is no federal or emirate level legislation establishing export controls and no national control list based on the multilateral export control regimes identifying items controlled for export. There are certain laws, including the UAE anti-terrorism law enacted in 2004, that restrict the import, possession and transportation on aircraft of radiological materials, certain chemicals,

certain biological substances and traditional firearms. However, there is currently no UAE federal bureaucracy to oversee the implementation of an export control effort. There is, however, strong concern at the highest levels of the UAEG and in Dubai that proliferators have in the past and could yet be utilizing the UAE's free trade environment to engage in proliferation-related transshipment. Embassy supports and encourages a visit from a senior USG official to help us deliver a strong message encouraging the UAE to establish an effective export control system. End Summary.

STATUS OF UAE EXPORT CONTROLS

12. (C) The UAE does not have a specific export control law on the books. High level UAEG officials have expressed their concern that proliferators have taken advantage of the UAE's free trade environment and have voiced their commitment to implementing an export control system to stop these activities. In December 2004, the UAEG made its UN 1540 declaration that it had certain restrictions on trade in radiological, chemical and biological items. The UAEG also said it expected to enact export control legislation in the near future. The USG provided a draft legal template in early 2004, which the UAEG could use in drafting its own law. Former Assistant Secretary John Wolf in March 2004 and former Under Secretary John Bolton in January 2005 weighed in on export controls, as did former Commerce Under Secretary Ken Juster in January 2004. In addition, the Ambassador and other members of the country team regularly engage with the UAEG on the issue. The draft law, however, still appears to be "stuck in committee" with interagency/inter-emirate disagreement over which agency should be responsible for overall lead of the issue.

13. (C) The UAE has laws in force which restrict the import and export of firearms, ammunition and explosives. There are severe penalties for the use of biological substances to harm people or animals. In addition, UAE civil aviation law prohibits the transfer by aircraft of explosives, pyrotechnics, firearms, radiological materials, chemicals, and certain biological materials. The UAE's 2004 anti-terrorism law criminalizes the import of weapons of mass destruction and WMD-related components. The UAE remains a major transshipment hub, and it is not clear the WMD provision would apply to goods in transit. In addition, the thrust of this legislation is to deter terrorism and might not be applicable in the instance of another nation (vice a terrorist group) seeking to acquire WMD capability. While the law could conceivably cover certain multilaterally export-controlled items, the UAE has not yet defined what &WMD)related components8 would include. Furthermore, the UAE has not yet adopted a national control list of items that would be controlled for export. Ministry of Interior officials told us that they used the provisions of the anti-terrorism law to arrest Pakistani national Osman Saeed and seize his assets after we provided them with information that he had diverted U.S. Munitions List items to Pakistan (Ref C).

14. (C) The UAEG has not identified a lead organization with responsibility for export controls. Some UAE officials have characterized the Federal Customs Authority (FCA) as the agency that has the main responsibility for regulating the import and export of items from the UAE (Ref E). Embassy's experience is that the FCA, which is largely a coordinating body, does not have the resources or sufficient influence, at the federal or emirate level, to establish and implement an effective export control system. The director of the FCA has told us that the issue of export controls is being spearheaded by the Ministry of Foreign Affairs. It is true that post's main interlocutor regarding export controls is the MFA's U/S, but in private conversations he has described the export control process as &stalled8 due to concerns among the emirates that such an effort could hinder trade. Our understanding is that an unfinished draft export control law is at the Ministry of Justice's technical committee, and that there are interagency/inter-emirate issues that have

prevented it from moving forward.

RECAP OF U.S.-UAE EXPORT CONTROL COOPERATION

15. (U) In 2001, the USG -- in consultation with the UAEG -- developed an export control cooperation plan, setting forth a multi-year plan of workshops, seminars and exchanges, to assist the UAE in establishing an export control system. The UAEG agreed to this plan. The US and UAE participated in executive exchanges in 2001 and 2002. In December 2002, Commerce,s Bureau of Industry and Security posted an export control officer in the UAE to conduct end-use checks and focus on export control cooperation. The Department of Commerce led a legal seminar in late 2003 and a control list workshop in April 2004.

16. (C) In early 2004, the US provided the UAE with a template for an export control law in both English and Arabic. The Department of Homeland Security led a WMD awareness program in December 2003 and training programs for UAE customs officials in 2004. The UAE sent delegations to international transshipment conferences in Barcelona in 2002, Sydney in 2003, and Malta in 2004. Due to what post saw as a lack of progress in UAEG efforts to enact export control legislation, a second Commerce-led legal seminar was held in October 2004 with the aim of reinvigorating the process. The overwhelming reaction from US participants in the seminar was that the UAE was very far away from establishing an export control system.

17. (C) Embassy believes that future sessions of the export control action plan depend on the existence of a control list and the establishment of a bureaucracy for actually controlling exports) license processing, product identification, effective enforcement, and industry-government outreach. (Comment: The UAE has always been eager to accept training, seminars, and workshops in export control cooperation. Training is useful. However, Embassy is concerned that such events could be contributing to distracting the UAE from the urgent business of establishing an underlying export control program. End Comment.)

OPERATIONAL CAPABILITIES

18. (U) Recent figures announced by Dubai trade officials indicate that Dubai is responsible for 73% of all transshipment trade in the UAE. Transshipment in the UAE includes both transit and re-export, the latter of which appears to be the more common method of diverting controlled items through the UAE: most diverted items are addressed to a company in the UAE and then re-exported after receipt.

19. (U) In order to process the vast amount of trade coming in and going out of the ports in Dubai, the Dubai Ports, Customs and Free Zone Corporation has a modern and sophisticated cadre of customs officials responsible for ensuring accurate tariff collection and the interdiction of contraband, such as alcohol, pornography, drugs, counterfeit software, etc. Dubai Customs has all the requisite container inspection equipment and uses it on a regular basis. The information systems capability of Dubai Customs is very efficient and there is an ongoing program to keep these systems at the highest level. Dubai Customs does not, however, conduct investigations regarding violations of customs laws, referring such cases to the Dubai Police.

110. (C) The Dubai Ports Authority has signed on to both the Department of Homeland Security,s Container Security Initiative and The Department of Energy,s Megaports Initiative. Dubai authorities told the visiting MTCR outreach team last month that they have established an interagency Counterproliferation Task Force (Ref E). However, Embassy has yet to identify a point of contact

within the UAEG for this task force.

¶11. (C) The other emirates have their own customs services, which are significantly less sophisticated than that of Dubai. Sharjah has a not-insignificant record of diversions, including Osman Saeed,s diversion of controlled missile technology uncovered just last December, and does not have comparable resources to Dubai. Abu Dhabi Customs is also somewhat less sophisticated than Dubai, but admittedly tracks significantly less non-oil trade. There is always the concern that as enforcement becomes more aggressive in Dubai, proliferators will move to other locales within and without the UAE to set up their networks.

LAW ENFORCEMENT COOPERATION

¶12. (S) The UAEG has been cooperative in some aspects of detecting and interdicting proliferation goods. The UAEG has returned and/or detained shipments at the USG,s request. The UAEG has also closed a number of Dubai companies for improper actions. The challenges are great, however. It should be noted that end use checks performed by BIS and State have uncovered several very recent attempts by private entities to evade US export laws by providing false end user certificates ostensibly showing an end use in the UAE for the purchase of controlled commodities that were actually headed elsewhere (including Iran).

FREE TRADE AGREEMENT

¶13. (C) The UAEG recently raised the issue of the U.S. policy on approving export licenses for the UAE in free trade agreement negotiations. The UAE side was seeking a more favorable licensing policy for technology transfer to entities in the UAE. USTR negotiators reminded the UAE delegation that without an export control system in the UAE it would be difficult to move to a more favorable licensing policy for the UAE. (Comment: Embassy does not/not support formally putting an export control chapter in the FTA, as it could well open the door to continued UAEG requests to add other, unrelated chapters, such as visas and movement of persons that the USG cannot agree to. However, the USG side should -) and must -- continue to emphasize that a robust export control system is a top USG-wide priority. End Comment.)

THE WAY FORWARD

¶14. (C) Embassy recommends that a senior USG official visit Abu Dhabi and Dubai to discuss nonproliferation and export control priorities. This will help underscore Embassy,s own senior-level discussions on this issue as well as re-emphasize the message carried by former Assistant Secretary Wolf and former Under Secretaries Bolton and Juster

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in 2004 and early 2005.
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